

Australian Food and Grocery Council
QUICK SERVICE RESTAURANT
INITIATIVE FOR RESPONSIBLE
ADVERTISING AND
MARKETING TO CHILDREN
2013 COMPLIANCE REPORT



The Australian Food and Grocery Council (AFGC) is the leading national organisation representing Australia's food, drink and grocery manufacturing industry.

The membership of AFGC comprises more than 178 companies, subsidiaries and associates which constitutes in the order of 80 per cent of the gross dollar value of the processed food, beverage and grocery products sectors.

With an annual turnover in the 2012-13 financial year of \$111 billion, Australia's food and grocery manufacturing industry makes a substantial contribution to the Australian economy and is vital to the nation's future prosperity.

Manufacturing of food, beverages and groceries in the fast moving consumer goods sector¹ is Australia's largest manufacturing industry. Representing 28 per cent of total manufacturing turnover, the sector accounts for over one quarter of the total manufacturing industry in Australia.

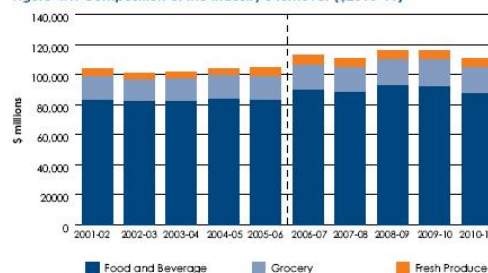
The diverse and sustainable industry is made up of over 25,662 businesses and accounts for over \$50.8 billion of the nation's international trade. These businesses range from some of the largest globally significant multinational companies to small and medium enterprises. Industry spends \$535.8 million a year on research and development.

The food and grocery manufacturing sector employs more than 298,825 Australians, representing about 3 per cent of all employed people in Australia, paying around \$11.3 billion a year in salaries and wages.

Many food manufacturing plants are located outside the metropolitan regions. The industry makes a large contribution to rural and regional Australia economies, with almost half of the total persons employed being in rural and regional Australia². It is essential for the economic and social development of Australia, and particularly rural and regional Australia, that the magnitude, significance and contribution of this industry is recognised and factored into the Government's economic, industrial and trade policies.

Australians and our political leaders overwhelmingly want a local, value-adding food and grocery manufacturing sector.

Figure 4.1: Composition of the industry's turnover (\$2010-11)*



Source: Based on ABS, catalogue number 8221.0 and 8159.0

1 Fast moving consumer goods includes all products bought almost daily by Australians through retail outlets including food, beverages, toiletries, cosmetics, household cleaning items etc.

2 About Australia: www.dfat.gov.au

1.	EXECUTIVE SUMMARY	4
2.	INTRODUCTION	5
2.1.	HOW THE QSRI WORKS	5
2.2.	2013 SIGNATORIES	6
3.	METHODS	7
3.1.	COMPANY REPORTED ACTIVITY	7
3.2.	EXTERNAL AUDIT	7
3.3.	COMPLAINTS	7
4.	2013 OUTCOMES	8
4.1.	COMPANY REPORTED ACTIVITY	8
4.2.	EXTERNAL AUDIT	11
4.3.	COMPLAINTS	17
5.	CONCLUSION	18
6.	NEXT STAGES	18
	APPENDIX 1: THE QSRI	19

1. EXECUTIVE SUMMARY

This report documents signatory compliance with the Quick Service Restaurant Initiative for Responsible Advertising and Marketing to Children (QSRI) for 2013. The review captured three monitoring components: company reported activity, an external audit, and complaint adjudications by the Advertising Standards Board (ASB).

Overall, compliance with the QSRI core principles during 2013 was high, with 99.2 per cent of signatory advertising being compliant with their commitment under the Initiative. This compliance rate exceeds that record in 2013 under the International Food and Beverage Alliance's commitment of 96.9 per cent³. **Six** signatory brands reported that they did not pay for, or actively undertake, marketing communication activities to children in 2013. **One** signatory undertook some marketing communication activities to children, which met the QSRI core principles and nutrition criteria.

Results of the external audit found there were some foods that did not meet the signatories' nutrition criteria advertised during children's television programs. These occurrences were subsequently found to be mainly inadvertent, resulting from the provision of bonus airtime by the television network or the late scheduling (or change in scheduling) and were not undertaken at the direction of the signatories.

Two complaints were upheld by the ASB during 2013. One advertisement breached the QSRI due to the provision of bonus airtime in a program directed primarily to children, while the other advertisement was intentionally directed primarily to children for a product that met the nutrition criteria, however the ASB determined that the advertisement did not meet the requirement of encouraging physical activity.

Saturday evenings and movie programming continued to be a challenging area for signatories as signatories are not always made aware by media outlets of the exact programming when booking advertisements or prior to them airing. Bonus airtime was also identified as an issue, as in previous years.

³ <https://ifballiance.org/sites/default/files/AccentureMonitoringReportIFBA201March2014-1.pdf>

2. INTRODUCTION

The Australian Quick Service Restaurant Industry developed the QSRI to demonstrate its commitment to responsible advertising and marketing of food and/or beverages to children. The QSRI was developed in collaboration with the Australian Association of National Advertisers (AANA) as part of the system of advertising and marketing self-regulation in Australia and became effective on 1 August 2009.

In 2012 an independent review found that the QSRI had made significant changes to the way food and beverage companies market to children and deemed the complaints handling system by the ASB to be international best practice. The review concluded that the QSRI was “one of a suite of effective tools responding to the complex policy problem of childhood overweight and obesity”.

As now required by the initiative, signatories have submitted reports against their Company Action Plans and highlighted the specific steps they have taken to meet their commitment during 2013. This report provides an overview of compliance with the QSRI core principles during its fourth year of operation.

2.1. HOW THE QSRI WORKS

The QSRI provides a common framework for quick service restaurant companies to ensure that only food and beverages that represent healthier choices are promoted directly to children and to ensure parents or guardians can make informed product choices for their children.

The QSRI sets out clear expectations of the form, spirit and context of advertising to children (Appendix 1). Signatories to the QSRI publicly commit to undertake marketing communications to children only when it will further the goal of promoting healthy dietary choices and healthy lifestyles. Other core principles relate to:

- Use of popular personalities and licensed characters
- Product placement
- Use of products in interactive games
- Advertising in schools
- Use of premium offers
- On-pack nutrition labelling
- Availability of nutrition information

Companies that sign up to the initiative publish individual Company Action Plans on their websites, which outline their specific commitments. Attached to the QSRI is a uniform set of nutrition criteria to define ‘children’s meals’, with only products that meet these criteria being permitted to be advertised to children. The criteria were developed by a team of Accredited Practising Dietitians in consultation with national guidelines and authorities on children’s nutrition.

The Advertising Standards Bureau (ASB) administers the complaints process for the QSRI, in conjunction with a range of other industry codes, including the Responsible Children’s Marketing

Initiative (RCMI), AANA Code of Ethics, AANA Code for Advertising & Marketing Communications to Children and the AANA Food and Beverages Advertising & Marketing Communications Code.

Complaints are assessed according to the QSRI core principles on two levels:

1. Whether the product represents a healthy choice
2. Whether the advertisement is directed primarily to children

The determination of whether the products represent a healthy choice is made by an independent arbiter. The Nutritional Physiology Research Centre at the University of South Australia is the arbiter for the QSRI. The determination of whether the advertisement is directed primarily to children is made by the ASB.

The Board of the ASB meets twice a month to consider complaints received and can also meet between meetings if the Secretariat considers that a complaint should be considered as a matter of urgency. As such, complaints against the QSRI can be dealt with in a timely manner. If the complaint is upheld, the company must cease using the marketing communication. Case determination reports for all ASB adjudications are available on the ASB website.

2.2. 2013 SIGNATORIES

As in 2012, there were seven signatories to the QSRI in 2013 (from four companies) with these companies representing 75 per cent of the QSR television advertising market.

QSRI signatories

Chicken Treat
Hungry Jack's Australia
KFC
McDonald's Australia
Oporto
Pizza Hut
Red Rooster



3. METHODS

This report documents compliance with the QSRI core principles during 2013 through three monitoring components: company reported activity, an external audit, and complaint adjudications by the ASB.

3.1. COMPANY REPORTED ACTIVITY

All 2013 signatories submitted reports against their Company Action Plan. Signatories reported on marketing communication activities to children and how these complied with the core principles of the QSRI. In some cases, signatories provided additional information, including details on other marketing activities and product redevelopment.

3.2. EXTERNAL AUDIT

AFGC undertook an audit of QSR advertisements outside of these reports. AFGC purchased television advertising data for March, July and December 2013, from Ebiquity, an international provider of media and marketing analytics. The data covers advertising of quick service restaurant products on the three main free-to-air television channels (Seven, Nine and Ten) for Adelaide, Brisbane, Melbourne and Perth; and the eight free-to-air television channels for Sydney (including the three main channels and the additional digital channels). Overall, 93 days were included in the analysis (24 hours each day).

AFGC identified all television advertisements screened by signatories and assessed whether foods that do not meet the nutrition criteria were advertised during children's programs (greater than 50 per cent of the audience is under 14 years of age and/or programs directed primarily to children). AFGC did not assess the creative content of the advertisements as this interpretive aspect is best suited to the expertise of the ASB as part of their adjudication on complaints received.

3.3. COMPLAINTS

Case reports from the ASB website were assessed and those that mentioned the QSRI identified. These reports document the nature of the complaint, the advertiser's response and the ASB determination.

4. 2013 OUTCOMES

4.1. COMPANY REPORTED ACTIVITY

4.1.1. Marketing communication activities to children

Chicken Treat reported that they undertook no marketing communication activities to children under the age of 14 years during 2013.

Hungry Jack's Australia reported that they undertook no marketing communication activities to children under the age of 14 years during 2013. Children are not and have never been a core target audience of Hungry Jack's.

KFC reported that they undertook no marketing communication activities to children under the age of 14 years during 2013.

McDonald's Australia reported that all marketing communication targeting children less than 14 years in 2013 promoted a Happy Meal comprised of healthier options that met the QSRI's defined set of nutrition criteria. Advertising promoting the Happy Meal appeared on free-to-air and pay television, in magazines, on websites and in cinema. Sports Encouragement Awards with vouchers for healthier options were distributed at various children's sporting events with the consent of organisers nationally.

Oporto reported that they undertook no marketing communication activities to children under the age of 14 years during 2013.

Pizza Hut reported that they undertook no marketing communication activities to children under the age of 14 years during 2013.

Red Rooster reported that they undertook no marketing communication activities to children under the age of 14 years during 2013.

4.1.2. Steps to meet requirements of RCMI

While not a requirement of the reporting activities, some signatories reported on the internal processes put in place to ensure compliance with their commitments to the QSRI:

Chicken Treat reported that they have introduced the following processes to improve compliance with the QSRI:

- Staff attendance at AFGC run compliance training.
- Media agency traders to check campaigns following movie programming and programming changes and work with the television networks on this.
- Media agency is to detail Chicken Treat's mandatory requirements with every TV campaign.
- Media agency is to detail Chicken Treat's mandatory requirements at the bottom of all material instructions.
- Television networks are to enforce Chicken Treat's programming requirements when locking bookings and props.

KFC has all advertising to which the Initiative applies reviewed by their in-house legal team or external counsel to ensure compliance with the Initiative.

McDonald's applies a rigorous approach to compliance with the Initiative. All external agencies are required to follow the requirements of the Initiative and McDonald's Company Action Plan when creating and placing marketing communications. Internal reviews are made by marketing, legal and corporate communications departments. Compliance training was also provided by McDonald's to internal teams and external agencies.

Oporto reported that they have introduced the following processes to improve compliance with the QSRI:

- Staff attendance at AFGC run compliance training.
- Media agency traders to check campaigns following movie programming and programming changes and work with the television networks on this.
- Media agency is to detail Oporto's mandatory requirements with every TV campaign.
- Media agency is to detail Oporto's mandatory requirements at the bottom of all material instructions.
- Television networks are to enforce Oporto's programming requirements when locking in bookings and props.

Red Rooster reported that they have introduced the following processes to improve compliance with the QSRI:

- Staff attendance at AFGC run compliance training.
- Media agency traders to check campaigns following movie programming and programming changes and work with the television networks on this.
- Media agency is to detail Red Rooster's mandatory requirements with every TV campaign.
- Media agency is to detail Red Rooster's mandatory requirements at the bottom of all material instructions.
- Television networks are to enforce Red Rooster's programming requirements when locking in bookings and props.

Pizza Hut has all advertising to which the Initiative applies reviewed by their in-house legal team or external counsel to ensure compliance with the Initiative.

4.1.3. Other reported activity

Some signatories reported on other marketing communications and general activity related to the application of the QSRI and to encourage healthy eating and lifestyle practices:

KFC updated their website to include a nutritional calculator which enables consumers to calculate kilojoules, protein, fat, carbohydrates and sodium in KFC products. KFC facilitated access to their website via mobile phone, iPad and tablet devices to provide consumers with broader access to nutrition and allergen information. KFC also introduced a grilled chicken range on its permanent menu.

McDonald's continued to partner with the Commonwealth Government's Food and Health Dialogue, delivering a company action plan focusing on three key areas:

1. Procurement – including reformulation to lower sodium.
2. Kitchen practices and portion sizing – providing a range of menu options including lower kilojoule and lower saturated fat choices.
3. Consumer messaging – enabling consumers to make informed choices and responsible marketing to children.

In 2013 McDonald's set a new benchmark for transparency with the launch of the *Our Food Your Questions* initiative, a public website answering any questions consumers have about their food, what is in it, how it is prepared and how ingredients are sourced: <http://yourquestions.mcdonalds.com.au/>.

Pizza Hut report that during 2013 they:

- Reduced sodium in their pizzas via reducing sodium in meat toppings and dough blends,
- Reduced sodium in their garlic bread, and
- Launched a mobile website, Android application and windows application which includes nutrition information.

4.2. EXTERNAL AUDIT

Results of the external audit (March, July and December 2013) identified instances in which foods that did not meet the nutrition criteria were shown in children's television programs (Table 1). In each instance, the placement of advertisements in children programs was unintentional; evident through the figure that reports the proportion of screenings in children's programs as a proportion of the total number of time the advertisement screened.

During the audit period signatories achieved a 99.2 per cent compliance rate with the placement of their advertising. This overall rate places the RCMI's compliance ahead of other world leading self-regulatory initiatives, including the International Food and Beverage Alliance which reported a compliance rate of 96.9 per cent in 2013 across 19 different countries.

Each of the signatories provided AFGC with a response regarding their instances of non-compliance.

Chicken Treat: This sole instance of non-compliance occurred during a G-rated movie that the media buying agency's information indicated was targeted to 18-39 males and would have a low percentage of children viewing. Due to this error the agency has established a plan for the future to remove this type of booking where the G programming may have strong children themes.

Hungry Jack's: Hungry Jack's is reviewing their processes and putting measures in place to ensure their placement of advertisements is in line with their commitments under the QSRI. The incidents where Hungry Jack's advertisements aired during children's television programs were generally the result of the stations making last minute changes to programming rather than Hungry Jack's intentionally buying space during those programs.

McDonald's Australia: McDonald's takes its responsibility as an advertiser very seriously and is committed to compliance with the QSRI. McDonald's was very concerned that despite strict briefing procedures in place with media buying agencies and networks, there were incidents of non-compliance relating to inadvertent placement of advertisements not meant for children in programs covered by the QSRI. In some instances programming changed between booking and air dates while the remaining breaches occurred as a result of networks mistakenly placing 'bonus spots'.

McDonald's continues to work closely with its agencies and networks to address issues with placement and ensure future compliance. Revised remedies introduced include a renewed checking process for movie titles upon release date, increased monitoring and regular reviews with networks.

Oporto: Half of the instances of non-compliance for Oporto were the result of the provision of bonus airtime. The other instances occurred during movies. Upon investigation, Oporto noted that these advertising spots were booked between 12 and 18 weeks prior to airing, when exact programming had not been finalised by the stations. Oporto has instituted a new procedure between the media buyers and the television networks to validate movie programming on a weekly basis and move any placements that may contravene the QSRI. In addition, Oporto transitioned to a new media buying agency in 2013, resulting in a number of spots (particularly on digital channels) being inadvertently placed incorrectly. Oporto has addressed this with the media buyers, including re-supplying the relevant information on the QSRI and iterating the need for all advertising to be compliant.

Red Rooster: Red Rooster changed media buying agencies during 2013 and was unable to investigate the instances of non-compliance for the Stacked Packs and Bacon and Cheese Roll campaigns. Of the remaining instances of non-compliance, two thirds were the results of the provision

of bonus air time, with half of the bonus airtime occurring between midnight and 5.00am. The remaining breaches occurred during movies. Upon investigation, Red Rooster noted that these advertising spots were booked between 12 and 18 weeks prior to airing, when exact programming had not been finalised by the stations. Red Rooster has instituted a new procedure between the media buyers and the television networks to validate movie programming on a weekly basis and move any placements that may contravene the QSRI. In addition, Red Rooster transitioned to a new media buying agency in 2013, resulting in a number of spots (particularly on digital channels) being inadvertently placed incorrectly. Red Rooster has addressed this with the media buyers, including re-supplying the relevant information on the QSRI and reiterated the need for all advertising to be compliant.

KFC: KFC Australia takes its commitment to responsible advertising to children seriously. Further investigations into the results of the compliance audit showed that approximately one third of all breaches were the result of advertising spots booked by KFC franchisees through different media agencies – this has since been addressed. The breaches recorded for the Australian and English Burgers, Bucketheads and four of the breaches for the Sweet Sesame Crunch Twister occurred in two movies that KFC and its media agency do not consider to be movies directed primarily to children. These movies screened at 8.30pm, with the advertisements screening after 9.00pm. AFGC audience data showed that the average child audience for these movies was between 9.1 and 12.5 per cent and KFC's media agency stated that the median age of the audience was 44 and 47. The remaining breaches were inadvertent.

To avoid all such breaches in the future, KFC, together with its media buying agency are implementing the following measures:

- When initial schedules are locked in, inappropriate programs and timeslots are filtered out and the network sales team is informed that KFC material can never air during programs directed primarily to children.
- Material sent to network's sales and traffic teams stipulate that advertisements cannot appear in programs that attract an audience of more than 35 per cent children. This should mean that all relevant network representatives are aware of this restriction.
- The media agency closely monitors campaigns, as spots do get moved and programs updated, especially in the case of movies. Inappropriate programs are brought to the attention of the network and requests for alternative placement are made. This process occurs on a daily basis.
- An exhaustive spot check is carried out for all activity that is set to run for the following week across all television networks. Any issues are brought to the attention of networks and changes are actioned.
- A blacklist of programming for the following week is developed. The list compiles scheduled children's programs and movies that are inappropriate for KFC advertising.

These measures will cover both KFC Australia booked advertising and advertising booked by KFC franchisees.

Pizza Hut: Pizza Hut takes its commitment to responsible advertising to children seriously. Nine of the breaches recorded for the promotion to Win a PS4 occurred in a movie that Pizza Hut and its media agency do not consider to be directed primarily to children. This movie screened at 8.30pm. AFGC audience data showed that the average child audience for this movie was 9.1 per cent and Pizza Hut's media agency stated that the median age of the audience was 44 years. The remaining breaches were inadvertent.

To avoid all such breaches in the future Pizza Hut, together with its media buying agency are implementing the following measures:

- When initial schedules are locked in, inappropriate programs and timeslots are filtered out and the network sales team is informed that Pizza Hut material can never air during programs directed primarily to children.
- Material sent to network's sales and traffic teams stipulate that advertisements cannot appear in programs that attract an audience of more than 35 per cent children. This should mean that all relevant network representatives are aware of this restriction.
- The media agency closely monitors campaigns, as spots do get moved and programs updated, especially in the case of movies. Inappropriate programs are brought to the attention of the network and requests for alternative placement are made. This process occurs on a daily basis.
- An exhaustive spot check of all activity that is set to run for the following week across all television networks. Any issues are brought to the attention of networks and changes are actioned.
- A *blacklist* of programming for the following week is developed. The list compiles scheduled children's programs and movies that are inappropriate for Pizza Hut advertising.

The external audit has highlighted that on 41 occasions an advertisement that did not meet the nutrition criteria screened during *Skippy the Bush Kangaroo* or *Teenage Mutant Ninja Turtles* which aired between 12.00am and 5.30am. Due to their themes, visuals and language, these programs were classified as programs directed primarily to children, however, audience tracking data showed that there were no children watching this program at these times. All incidents of non-compliance during this program resulted from the provision of bonus airtime.

Movies continue to present a challenge for signatories with over 60 per cent of breaches occurring during movies. Signatories reported that the movie to be screened is not known at the time the advertising slot is booked and media buying agencies are often not made aware until a week prior to the date. In addition to this, programming changes can often happen at the very last minute. Signatories are looking to further strengthen their processes to ensure they are aware of the program being screened for all advertising spots and can make changes where the programming no longer aligns with their commitment under the RCMI.

Table 1: Compliance assessment through AFGC auditing, March, July and December 2013 (TV advertising placement only)

QSRI Signatory	Compliance details
Chicken Treat	An advertisement for Chicken Treat screened once in a children's program during the audit period, representing 1.5% of all screening for the advertisement.
Hungry Jack's	<p>An advertisement for Hungry Jack's Hot Hot Cold Meal screened 20 times during the audit period, representing 1.4% of all screenings for the advertisement.</p> <p>An advertisement for Hungry Jack's Nuggets screened five times in a children's program during the audit period, representing 1.0% of all screenings for the advertisement.</p> <p>An advertisement for Hungry Jack's Sundaes screened six times during a children's program during the audit period, representing 1.2% of all screenings for the advertisement.</p> <p>An advertisement for Hungry Jack's Thickshakes screened eight times in a children's program during the audit period, representing 1.6% of all screenings for the advertisement.</p> <p>An advertisement for Hungry Jack's Chicken Crunch Burger screened four times in a children's program during the audit period, representing 1.0% of all screenings for the advertisement.</p> <p>An advertisement for Hungry Jack's Fluffy Omelette Muffin screened once in a children's program during the audit period, representing 4% of all screenings for the advertisement.</p> <p>An advertisement for Hungry Jack's Frozen Coke screened 15 times in a children's program during the audit period, representing 1.0% of all screening for the advertisement.</p> <p>An advertisement for Hungry Jack's Mango Sundaes, Shakes & Golden Waffle Fries screened 34 times in a children's program during the audit period, representing 4.2% of all screenings for the advertisement.</p>
McDonald's Australia	<p>An advertisement for McDonald's California Chicken Burger screened four times in a children's program during the audit period, representing 0.7% of all screenings for the advertisement.</p> <p>An advertisement for McDonald's Loose Change Menu screen twice in a children's program during the audit period representing 0.2% of all screenings for the advertisement.</p> <p>An advertisement for McDonald's Monopoly screened 12 times in a children's program during the audit period, representing 0.9% of all screenings for the advertisement. It is noted that two screenings occurred during a children's program screened at 1.30am.</p> <p>An advertisement for McDonald's Roadhouse Brekkie Roll screened once in a children's program during the audit period, representing 0.2% of all screenings for the advertisement. It is noted that the children's program screened at 12.30am.</p> <p>An advertisement for McDonald's Smoky Texan Burger screened four times in a children's program, representing 0.7% of all screenings for the advertisement.</p> <p>An advertisement for McDonald's Tastes of America Range screened four times in a children's program during the audit period, representing 0.7% of all screenings for the advertisement. It is noted that one screening occurred during a children's program screened at 3.30am.</p> <p>An advertisement for McDonald's New York Classic screened four times in a children's program during the audit period, representing 0.5% of all screenings for the advertisement.</p> <p>An advertisement for McDonald's Coke Zero screened three times in a children's program during the audit period, representing 2.9% of all screenings for the advertisement.</p> <p>An advertisement for McDonald's Hot Cross Bun & Coffee screened four times in a children's program during the audit period, representing 0.7% of all screenings for the advertisement.</p> <p>An advertisement for McDonald's Coca Cola Glasses screened twice in a children's program</p>

	<p>during the audit period, representing 1.8% of all screenings for the advertisement.</p> <p>An advertisement for McDonald's Darrell Lea Rocklea Road Shake screened twice in a children's program during the audit period, representing 0.5% of all screenings for the advertisement.</p> <p>An advertisement for McDonald's Double Bacon BBQ Roll screened four times in a children's program during the audit period, representing 0.7% of all screenings for the advertisement.</p> <p>An advertisement for McDonald's Family Dinner Box screened twice in a children's program during the audit period, representing 0.3% of all screenings for the advertisement. It is noted that one screening occurred during a children's program screened at 1.30am.</p> <p>An advertisement for McDonald's Macarons screened three times in a children's program during the audit period, representing 1.0% of all screenings for the advertisement.</p> <p>An advertisement for McDonald's Wedges screened 17 times in a children's program during the audit period, representing 1.9% of all screenings for the advertisement.</p> <p>An advertisement for McDonald's Do Summer campaign screened 20 times in a children's program during the audit period, representing 0.6% of all screenings for the advertisement.</p> <p>An advertisement for McDonald's Brekkie Wrap screened once in a children's program during the audit period, representing 0.1% of all screenings for the advertisement.</p> <p>An advertisement for McDonald's McOz screened five times in a children's program during the audit period, representing 1.8% of all screenings for the advertisement.</p> <p>An advertisement for McDonald's Turkish Sandwiches screened once in a children's program during the audit period, representing 0.3% of all screenings for the advertisement.</p> <p>An advertisement for McDonald's Real Choices screen six times in a children's program during the audit period, representing 0.2% of all screenings for the advertisement. It is noted that one screening occurred during a children's program screened at 5.00am.</p>
Oporto	<p>An advertisement for Oporto Mini Sub Roll screened once in a children's program during the audit period, representing 1.28% of all screenings for the advertisement.</p> <p>An advertisement for Oporto Street Eats screened 13 times in a children's program during the audit period, representing 2.5% of all screenings for the advertisement. It is noted that two screenings occurred during children's program screened between 12.30am and 5.00am.</p>
Red Rooster	<p>An advertisement for Red Rooster Stacked Packs screened 10 times in a children's program during the audit period, representing 0.8% of all screenings for the advertisement. It is noted that one screening occurred during a children's program screened at 1.00am.</p> <p>An advertisement for Red Rooster Bacon and Cheese Rooster Roll screened twice in a children's program during the audit period, representing 0.3% of all screenings for the advertisement. It is noted that one screening occurred during a children's program screened at 3.00am.</p> <p>An advertisement for Red Rooster Bacon Lovers Collection screened nine times in a children's program during the audit period, representing 1.0% of all screenings for the advertisement. It is noted that two screenings occurred during a children's program screened at 3.00am.</p> <p>An advertisement for Red Rooster Biggest Ever Pack screened 41 times in a children's program during the audit period, representing 2.3% of all screenings for the advertisement.</p> <p>An advertisement for Red Rooster RoosterRaps screened 19 times in a children's program during the audit period, representing 2.2% of all screenings for the advertisement. It is noted that twelve screenings occurred during a children's program screened at 1.00am.</p>
KFC	<p>An advertisement for KFC Black Edition screened 12 times in a children's program during the audit period, representing 0.9% of all screenings for the advertisement.</p> <p>An advertisement for KFC \$2 Menu screened nine times in a children's program during the</p>

	<p>audit period, representing 0.7% of all screenings for the advertisement.</p> <p>An advertisement for KFC featuring Joel and Benji Madden screened twice in a children's program during the audit period, representing 0.3% of all screenings for the advertisement.</p> <p>An advertisement for KFC Weekend Dinner Table screened five times in a children's program during the audit period, representing 1.4% of all screenings for the advertisement.</p> <p>An advertisement for KFC screened once in a children's program during the audit period, representing 1.4% of all screenings for the advertisement.</p> <p>An advertisement for KFC Australian and English Burgers screened twice in a children's program during the audit period, representing 0.5% of all screenings for the advertisement.</p> <p>An advertisement for KFC Bucketheads screen once in a children's program during the audit period, representing 0.3% of all screenings for the advertisement.</p> <p>An advertisement for KFC Celebrate with Mega Feast screened twice in a children's program during the audit period, representing 2.1% of all screenings for the advertisement.</p> <p>An advertisement for KFC Green and Gold screened eight times in a children's program during the audit period, representing 0.6% of all screenings for the advertisement. It is noted that two screenings occurred during children's programs screened between 1.00am and 3.30am.</p> <p>An advertisement for KFC Sweet Sesame Crunch Twister screened 19 times in a children's program during the audit period, representing 1.1% of all screenings for the advertisement.</p>
<p>Pizza Hut</p>	<p>An advertisement for Pizza Hut \$10 Box screened once in a children's program during the audit period, representing 5.9% of all screenings for the advertisement.</p> <p>An advertisement for Pizza Hut Signature Meal Deal screened 10 times in a children's program during the audit period, representing 4.3% of all screenings for the advertisement.</p> <p>An advertisement for Pizza Hut Signature Peri Peri Chicken Pizza screened 11 times in a children's program during the audit period, representing 1.8% of all screenings for the advertisement.</p> <p>An advertisement for Pizza Hut Win a PS4 screened 11 times in a children's program during the audit period, representing 1.0% of all screenings for the advertisement. It is noted that four screenings occurred during a children's program screened at 1.30am.</p>

4.3. COMPLAINTS

The ASB assessed five complaints in 2013. This is down from 11 complaints in 2012 and ten in 2011.

4.3.1. Upheld

Two complaints against the QSRI were upheld in 2013:

1. 0463/12 Blazing Omelette McMuffins (Television) – McDonald's

The complaint raised concerns regarding the encouragement of unhealthy lifestyles. ASB determined that the advertisement did not breach the AANA Codes and was not directed primarily to children. However, due to the provision of bonus airtime by the networks the advertisement did screen during children's programming and was therefore in breach of the QSRI.

McDonald's and its media agencies committed to working closely with the television networks to prevent any reoccurrence.

2. 0244/13 Happy Meal (Television) – McDonald's

The complaint raised concerns regarding the encouragement of children to consume McDonald's products. ASB determined, and McDonald's agreed, that the advertisement was directed primarily to children, was for a product that met the nutrition criteria and encouraged good dietary habits. However, ASB ruled that the content of the advertisement (*Despicable Me* Minions painting a wall) was not sufficient to meet the requirement of promoting or encouraging physical activity.

McDonald's ceased airing the advertisement.

4.3.2. Dismissed

Three complaints against the QSRI were dismissed in 2013:

1. 0188/13 12 for \$12 meal deal (Television) – KFC
2. 0356/13 Cheap as Chips (Print) – KFC
3. 0383/13 Snack in the face! (App) – KFC

In all these cases the ASB determined that the advertisement was not directed primarily to children.

All case reports can be viewed at the ASB website: www.adstandards.com.au.

5. CONCLUSION

Overall, compliance with the QSRI in 2013 remained high. Signatory reports indicated that company processes are in place to ensure adherence to their commitment to the QSRI, and reported activity was largely in line with these commitments. Results of the external audit found that there was some placement of discretionary foods in children's television programs, which was subsequently found to be largely due to the provision of bonus airtime by the TV network and challenges associated with scheduling advertising time during movies.

AFGC has continued to strengthen the QSRI following the Independent Review, with a redrafted initiative available on the AFGC website (www.afgc.org.au) and coming into operation from 1 January 2014.

6. NEXT STAGES

AFGC has entered into a partnership with Ebiquity to ensure continued access to up to date, accurate advertising monitoring data. This data will enable AFGC to continue to monitor signatories' compliance with the QSRI and to measure the frequency of advertising during children's viewing periods. On-going monitoring of marketing communication activities against the QSRI core principles and during children's viewing periods is important to determine the extent of the current situation, changes over time, and identify any improvements required to the RCMI. AFGC will continue to encourage other quick service restaurant companies to sign up to the initiative.



APPENDIX 1: THE QSRI

AFGC QSR Initiative for Responsible Advertising and Marketing to Children

1. STATEMENT OF INTENT

The Australian Food and Grocery Council (AFGC) Quick Service Restaurant (QSR) Forum has developed this Initiative to demonstrate its commitment to responsible advertising and marketing of food and/or beverages to Children.

The Initiative provides a common framework for QSR companies to ensure that only food and beverages that represent healthier choices are promoted directly to Children and to ensure parents and guardians can make informed product choices for their Children. This Initiative will provide confidence in the responsible marketing practices via clear expectations of the form, spirit and context, and a transparent process for monitoring and review of practices.

This Initiative has been developed in collaboration with the AANA as part of the system of advertising and marketing self-regulation in Australia. Signatories to this Initiative must also abide by:

- The AANA Code for Advertising and Marketing Communications to Children
- The AANA Food and Beverages Advertising and Marketing Communications Code
- The AANA Code of Ethics

This document outlines the minimum commitments required by Signatories. Signatories may choose to adopt additional commitments.

2. SCOPE

This Initiative captures Advertising and Marketing Communications to Children where:

- The communication is directed primarily to Children (regardless of its placement); and/or
- The Medium is directed primarily to Children (in relation to television this includes all C and P programs and G rated programs that are directed primarily to Children); and/or
- The Medium attracts an audience share of greater than 50% of Children.

This Initiative is underpinned by the definitions of Advertising and Marketing Communications to Children and Medium set out in Article 6.

3. CORE PRINCIPLES

Advertising and Marketing Messaging

3.1. Advertising and Marketing Communications to Children for food and/or beverages must:

- a. Represent healthier choices, as determined by a defined set of Nutrition Criteria for assessing Children's meals (see Appendix 1); and
- b. Represent a healthy lifestyle, designed to appeal to the intended audience through messaging that encourages:
 - i. Good dietary habits, consistent with established scientific or government criteria; and
 - ii. Physical activity.

Popular Personalities and Characters

3.2. Popular Personalities, Program Characters or Licensed Characters must not be used in Advertising or Marketing Communications to Children for food and/or beverages products, unless such Advertising or Marketing Communications complies with the messaging options set out in Article 3.1.

3.3. Material broadcast on free to air television in C and P periods must also comply with the Children's Television Standards section 35.

Product Placement

3.4. Signatories must not pay for the placement of, or actively seek to place, food and/or beverages products in the program or editorial content of any Medium directed primarily to Children unless such food and/or beverage products are consistent with Article 3.1.

Use of Products in Interactive Games

3.5. Signatories must ensure that any interactive game directed primarily to Children which incorporates the Signatory's food and/or beverage products is consistent with Article 3.1.

Advertising in Schools

3.6. Signatories must not engage in any product-related communications in Australian schools, except where specifically requested by, or agreed with, the school administration for educational or informational purposes, or related to healthy lifestyle activities under the supervision of the school administration or appropriate adults.

Use of Premium Offers

3.7. Signatories must not advertise Premium offers in any Medium directed primarily to Children unless the reference to the Premium is merely incidental to the food and/or beverage product being advertised.

On-Pack Nutrition Labelling

3.8. Nutrition profile information must be provided on packaging wherever possible in respect of those food products usually contained in such packaging to assist parents and guardians to make informed food choices for their Children.

Availability of Nutrition Information

3.9. Nutrition profile information must be available on company websites and upon request in respect of all food and beverage products to assist parents and guardians to make informed food choices for their Children.

Children's Sporting Events

3.10. Signatories must not give away food and/or beverage products or vouchers to Children as awards or prizes at Children's sporting events unless those products meet the nutrition criteria.

4. INDIVIDUAL COMPANY ACTION PLANS

4.1. Signatories must develop and publish individual Company Action Plans for the purposes of communicating how they will each meet the core principles of this Initiative.

4.2. All commitments must be consistent with the core principles outlined in this initiative.

5. COMPLAINTS AND COMPLIANCE

Complaints

5.1. AFGC QSR Forum has agreed that it is appropriate to have an independent body determine complaints under this Initiative. The Advertising Standards Bureau will consider any complaints made under the QSR Initiative.

5.2. Signatories must comply with decisions of the Advertising Standards Board.

5.3. Sanctions may be imposed on Signatories who fail to meet their obligations under the terms of this Initiative.

Compliance

5.4. Signatories must report on their Advertising or Marketing Communications to Children on an annual basis against key criteria.

5.5. AFGC is responsible for coordinating the monitoring of company activities on an annual basis to confirm compliance, with resultant reports being made publically available.

6. DEFINITIONS

In this Initiative the following terms mean:

Advertising or Marketing Communications

Any material generated by a Signatory which is published or broadcast using any Medium or any activity which is undertaken by, or on behalf of a Signatory, and

- Over which the Signatory has a reasonable degree of control, and
- That draws the attention of the public in a manner calculated to promote or oppose directly or indirectly a product, service, person, organization or line of conduct,

But does not include labels or packaging for products, public relations communications (corporate or consumer) or in-store point of sale material.

Advertising or Marketing Communications to Children

Content

Advertising or Marketing Communications which, having regard to the theme, visuals and language used, are directed primarily to Children and are for food and/or beverage products.

Placement

Advertising or Marketing Communications that are placed in Medium that is directed primarily to Children (in relation to television this includes all C and P rated programs and G rated programs that are directed primarily to Children); and/or where the Medium attracts an audience share of greater than 50% of Children.

Child

A person under 14 years of age.

Children

Persons under 14 years of age.

Children's Television Standards 2009

The Australian Communications and Media Authority *Children's Television Standards 2009*.

Medium

Television, radio, newspaper, magazines, outdoor billboards and posters, emails, interactive games, cinema and internet sites.

Popular Personalities and Characters

- A personality or character from C or P programs; or
- A popular program or movie character; or
- A popular cartoon, animated or computer generated character; or
- A popular personality; or
- A licensed character; or
- A proprietary character.

Premium

Anything offered free or at a reduced price and which is conditional upon the purchase of regular Children's food and/or beverage products.

Signatory

Any company who has agreed to be bound by this Initiative and has submitted their Company Action Plan to AFGC.

Appendix 1 – Nutrition Criteria for Assessing Children's Meals

The nutrition criteria for assessing children's meals, according to the Australian Quick Service Restaurant Industry Initiative for Responsible Advertising and Marketing to Children, are as follows:

1. Meal composition

- a. The meal must be comprised of at least a main and a beverage.
- b. The meal should reflect general principles of healthy eating as defined by credible nutrition authorities.

2. Energy

- a. The meal must satisfy an energy criteria based on the Nutrient Reference Values¹ for children of different age groups. The maximum energy limits for each target age group are as follows:
 - i. 4-8 years - 2080 kJ per meal
 - ii. 9-13 years - 2770 kJ per meal

3. Nutrients of public health concern

- a. The meal must not exceed maximum limits as follows:
 - i. Saturated fat - 0.4g per 100kJ;
 - ii. Sugar - 1.8g per 100kJ; and
 - iii. Sodium - 650mg per serve.
- b. Overall, the average level of saturated fat, sugar and sodium in the meal will be less than what children are currently eating (based on the Children's Survey²).

The nutrition criteria for assessing children's meals have been developed by a team of Accredited Practising Dietitians in consultation with national guidelines and authorities on children's nutrition. These criteria will be piloted over the next 12 months and updated as required to reflect changes in nutrition science and NHMRC recommendations. Specific details on the nutrition criteria are outlined in a compliance tool provided to signatories of this Initiative.

¹ National Health and Medical Research Council. Nutrient Reference Values for Australia and New Zealand. Canberra: Commonwealth of Australia; 2006.

² Australian Government: Department of Health and Ageing. 2007 Australian National Children's Nutrition and Physical Activity Survey. Canberra: Commonwealth of Australia; 2008.

Appendix 2 – Indicative Television Program List

Under the Initiative, Signatories will not advertise food and/or beverage products to Children unless it meets the core principles in relation to advertising messaging.

The list in Table 1 has been provided to illustrate the types of television programs covered by the initiative. This list includes P and C programs; programs where more than 50% of the audience is children under 14 years; plus those G rated programs that meet the criteria as being directed primarily for children (through the themes, visuals and language used). The list in Table 2 outlines programs that are not covered by the initiative.

Note: these are indicative lists and will be updated from time to time to reflect current programming. The Advertising Standards Board makes the final determination of programs covered by the Initiative.

Table 1: Programs covered by the Initiative

Aladdin	Handy Manny	Scooby-Doo programs
All for Kids	Hi-5	Scope
Alvin and the Chipmunks	Holly's Heroes	Sea Princesses
Animalia	H2O - Just Add Water	Snake Tales
Animaniacs	Ice Age	Spit it Out
Bakugan	It's Academic	SpongeBob SquarePants
Ben 10	Jumping Jellybeans	Stormworld
Blinky Bill	Kamen Rider Dragon Knight	Sumo Mouse
Bratz	Kid Detectives	Tamagotchi!
Bubble Town Club	Kid's WB	The Batman
Camp Lazlo	Kitchen Whiz	The DaVincibles
Castaway	K9	The Elephant Princess
Chaotic	Legend of Enyo	The Fairies
Class of 3000	Maddigan's Quest	The Flintstones
Combo Ninos	Master Raindrop	The Marvellous Misadventures of Flapjack
Dangermouse	Magical Tales	The Perils of Penelope Pitstop
Deadly	Me and My Monsters	The Replacements
Dennis & Gnasher	Mickey Mouse Clubhouse	The Saddle Club
Dennis the Menace	Mortified	The Shak
Dex Hamilton	Oggy and the Cockroaches	The Smurfs
Digimon Data Squad	Out of Jimmy's Head	Thunderbirds
Dive Olly Dive	Parallax	Toasted TV
Dora The Explorer	Penguins of Madagascar	Totally Wild
Erky Perky	Phineas and Ferb	Trapped
Foster's Home for Imaginary Friends	Pinky and the Brain	Wurrawhy
Flipper	Pokemon	Yin Yang Yo!
GASP	Power Rangers	Yu Gi Oh! 5D's
Go, Diego Go	Pyramid	Zeke's Pad
G2G: Got to Go	Raggs	
	Saturday Disney	

Table 2: Programs not covered by the Initiative

Australian Idol	Ready Steady Cook
Australia's Funniest Home Videos	Seinfeld
Australia's Got Talent	So You Think You Can Dance
Bewitched	Sunrise
Deal or No Deal	That '70s Show
Friends	The A-Team
Futurama	The Big Bang Theory
Get Smart	The Biggest Loser
Here's Lucy	The Morning Show
Home and Away	The Nanny
How I Met Your Mother	The Simpsons
I Dream of Jeannie	The Virginian
Knight Rider	The X Factor
Malcolm in the Middle	The Zoo
Masterchef	Today
Minute to Win It	Top Gear
Modern Family	Two and a Half Men
Monster Garage	Wagon Train
My Kitchen Rules	Wipeout
Neighbours	

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